

Before the  
**FEDERAL COMMUNICATIONS COMMISSION**  
Washington, D.C. 20554

In the Matter of	)	
	)	
Developing a Unified Intercarrier	)	
Compensation Regime	)	CC Docket No. 01-92
	)	
Sprint Petition for Declaratory Ruling	)	
Regarding the Routing and Rating of Traffic	)	
By ILECs	)	

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**COMMENTS OF SBC COMMUNICATIONS INC.**

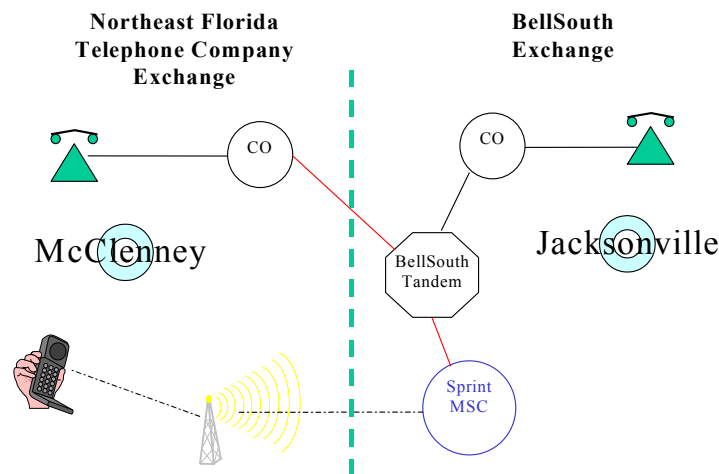
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SBC Communications Inc. (“SBC”) submits these Comments pursuant to the Public Notice (DA 02-1740) released in this proceeding on July 18, 2002. SBC agrees with the Commission that Sprint’s petition and BellSouth’s opposition raise interconnection and intercarrier compensation issues under consideration in the Commission’s *Intercarrier Compensation* proceeding (CC Docket No. 01-92). In addition, however, Sprint’s petition and BellSouth’s opposition raise issues concerning the rights of carriers under current Commission rules. In particular, they raise issues concerning the rights of carriers with respect to indirect interconnection and transit traffic. Accordingly, the Commission should clarify that neither the Act nor its rules require carriers to provide indirect interconnection or transit services. Moreover, the Commission should clarify that, if a carrier does offer to provide transit services, it is not required to price those services at TELRIC.

As SBC understands the practices and arrangements at issue, Sprint often interconnects its mobile switching center (“MSC”) at an RBOC tandem in a LATA. *Sprint Petition* at 5. By virtue of Sprint’s direct interconnection at the RBOC’s tandem, Sprint and the RBOC originate and terminate calls from the RBOC’s customers to Sprint’s customers and from Sprint’s

customers to the RBOC's customers. Apparently, Sprint also believes that a direct interconnection arrangement at any RBOC tandem in a LATA entitles Sprint to *indirect* interconnection with all other ILECs, CLECs, and CMRS providers in the LATA with which BellSouth has a direct interconnection arrangement and with which Sprint wishes to exchange traffic.<sup>1</sup> *Sprint Petition* at 4. According to Sprint, it rarely interconnects its MSC directly with each ILEC in a LATA, and, presumably, Sprint also rarely interconnects directly with each CLEC and CMRS provider in a LATA. One permutation of this arrangement—involving indirect interconnection between Sprint and an independent ILEC in Florida—is depicted in Diagram 1.

Diagram 1



In the arrangement depicted in Diagram 1, Sprint wants BellSouth's tandem switch to forward calls originated by Sprint's customers to Northeast Florida Telephone Company's ("Northeast") switch for termination to Northeast's customers. Conversely, Sprint wants to rely upon its

<sup>1</sup> The issue, therefore, is not limited to calls from mobile carriers to wireline carriers or wireline carriers to mobile carriers.

interconnection arrangement with BellSouth to receive calls originated by Northeast's customers that are destined for Sprint's customers. *Sprint Petition* at 4, 7.<sup>2</sup>

In addition, in order to enable Northeast's customers to call Sprint's customers without incurring toll charges, Sprint obtains NPA-NXX codes associated with Northeast's rate centers. Sprint's direct interconnection arrangement with BellSouth allows Sprint to submit codes to BellSouth for BellSouth to load in its tandem switch so that traffic originated on BellSouth's network will route to Sprint's MSC. However, when providing the codes to BellSouth, Sprint designates different rating and routing points for those NPA-NXX codes associated with Northeast's rate centers. That is, it designates BellSouth's tandem as the routing point for those codes, but, in order to facilitate local calling from Northeast's customers to Sprint's customers, Sprint must designate Northeast's rate centers as the rating points for those codes.

Thus, when a Northeast customer calls a Sprint customer assigned an NPA-NXX code rated to a Northeast rate center, the call will appear to the Northeast customer as a local call. However, the call will actually travel from the Northeast customer to Northeast's switch, and from Northeast's switch to BellSouth's tandem, and from BellSouth's tandem to the Sprint MSC, before Sprint terminates the call to its end-user mobile customer. *See* Diagram 1. Conversely, when the Sprint customer calls a Northeast customer, the call will appear to the Sprint customer as a local call. However, the call will actually travel from the Sprint customer to the Sprint MSC, then to BellSouth's tandem, and then to Northeast's switch, before it is terminated by Northeast to its end-user customer. *See id.* In both situations (Northeast customer to Sprint

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<sup>2</sup> Sprint inappropriately relies upon diagrams of calls from BellSouth customers to Sprint customers and Sprint customers to BellSouth customers, *Sprint Petition* at 8, 9, to illustrate the issues raised by its actions. The fundamental issue, which Sprint has not depicted in its diagrams, involves calls from Sprint customers to Northeast customers and from Northeast customers to Sprint customers. Moreover, while Sprint uses ALLTELL to illustrate the arrangement at issue, the letters attached to Sprint's petition demonstrate that the independent ILEC involved in the dispute between BellSouth and Sprint in Florida is Northeast Florida Telephone Company.

customer, and Sprint customer to Northeast customer), the call requires BellSouth to provide indirect interconnection and transit services between Sprint and Northeast.<sup>3</sup>

In effect, Sprint presumes that all carriers (RBOCs in particular) are required to facilitate indirect interconnection and transit services between and for the benefit of other carriers. The fundamental issue, therefore, with Sprint's actions is not whether BellSouth (or any other RBOC) may refuse to load in its network particular numbering resources of CMRS carriers (or any other carriers), or even whether carriers may assign different routing and rating points for those numbering resources. Rather, the issue is whether any third party carrier is required to make its transport and switching facilities available to other carriers that elect not to establish a direct interconnection arrangement for the exchange of traffic between their networks.<sup>4</sup> The Commission should clarify that neither the Act nor its rules require third party carriers to provide transit services. Moreover, the Commission should clarify that, if a carrier offers to provide transit services, it is not required to price those services at TELRIC.

All carriers are required by 47 U.S.C. § 251(a) "to interconnect directly or indirectly with the facilities and equipment of other telecommunications carriers." There is a difference, however, between a duty "to interconnect indirectly" and a duty "to provide indirect interconnection." The duty to interconnect indirectly requires Northeast to terminate traffic provided indirectly from Sprint (*i.e.*, through an intermediary third party such as BellSouth) upon request. Thus, Section 251(a) requires Sprint and Northeast to interconnect for the exchange of traffic between their networks, but permits each of them to determine whether the interconnection will be direct or indirect for traffic they send to the other. If Sprint determines that it prefers to interconnect indirectly with Northeast, it must find another carrier willing to carry its traffic as a transiting carrier to Northeast, and Northeast is obligated to terminate such

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<sup>3</sup> SBC assumes that all calls in this arrangement are intraMTA calls.

<sup>4</sup> The third party carrier in this situation would act as a transiting carrier that enables the indirect interconnection arrangement between the other carriers.

traffic provided indirectly from Sprint through the transiting carrier. Conversely, if Northeast determines that it prefers to interconnect indirectly with Sprint, it must find another carrier willing to carry its traffic as a transiting carrier to Sprint, and Sprint is required to terminate such traffic provided indirectly from Northeast through the transiting carrier.

A duty to provide indirect interconnection, however, would require all carriers to act as the intermediary (*i.e.*, provide transit services) when two other carriers desire to interconnect indirectly. 47 U.S.C. § 251(a) imposes no such duty.<sup>5</sup> The only duty *to provide* interconnection is set forth in 47 U.S.C. 251(c)(2), and that obligation is limited to interconnection of the requesting carrier “with the [incumbent] local exchange carrier’s network.” The duty of ILECs to provide interconnection, therefore, is limited to providing interconnection with the ILECs’ networks, not with other carriers’ networks. No provision of the Act imposes a duty upon ILECs to provide or facilitate indirect interconnection and transit services between two other carriers.<sup>6</sup>

This interpretation is consistent with the recent decision of the Wireline Competition Bureau (“Bureau”) in the Verizon/AT&T/WorldCom/Cox arbitration for Virginia. Memorandum Opinion and Order, *Petitions of WorldCom, Inc. Pursuant to Section 252(e)(5) of the Communications Act for Preemption of the Jurisdiction of the Virginia State Corporation Commission Regarding Interconnection Disputes with Verizon Virginia Inc. and for Expedited Arbitration, et. al.*, CC Docket Nos. 00-218, 00-249, 00-251, DA 02-1731 (July 17, 2002)(“Virginia Arbitration Order”). In that proceeding, Verizon argued that, while every

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<sup>5</sup> And, even if BellSouth is required under 47 U.S.C. § 251(a) to provide indirect interconnection, it is not required to do so at TELRIC rates. The Commission’s TELRIC rate methodology derives from 47 U.S.C. § 252(d)(1), which applies only to interconnection required under 47 U.S.C. § 251(c)(2). There is no interconnection pricing methodology required under 47 U.S.C. § 251(a).

<sup>6</sup> Moreover, interpreting 47 U.S.C. § 251(a) to require carriers to provide indirect interconnection would lead to absurd results. SBC agrees that Sprint is entitled to interconnect indirectly with Northeast. However, if 47 U.S.C. § 251(a) requires all carriers *to provide* indirect interconnection, as Sprint implies, Northeast would have the right to demand that Sprint interconnect directly with Northeast in order to facilitate indirect interconnection between Northeast and third party carriers such as BellSouth. In other words, Sprint’s right *to interconnect* indirectly with Northeast would be negated by its obligation *to provide* indirect interconnection to Northeast. Surely, Congress would not have crafted a statutory provision that produces such an absurd result.

carrier has a right to interconnect indirectly with any other carrier under 47 U.S.C. § 251(a), there is nothing in the Act that permits carriers to transform that right into a duty on the part of ILECs to provide transit services and thus facilitate the duty of other carriers to interconnect indirectly. *Id.* ¶ 113.

The Bureau noted that the Commission has not had occasion “to determine whether incumbent LECs have a duty to provide transit service under [47 U.S.C. § 251(c)(2)].” *Id.* ¶ 117. Nor did the Bureau find “clear Commission precedent or rules declaring such a duty.” *Id.* The Bureau also did not specifically determine whether ILECs have a duty under 47 U.S.C. § 251(a) to provide transit services. Rather, the Bureau concluded that “any duty Verizon may have under section 47 U.S.C. § 251(a) of the Act to provide transit service would not require that service to be priced at TELRIC.” *Id.* In short, the Bureau has confirmed that no Commission rule requires carriers to provide indirect interconnection and transit services, and even if carriers are obligated to do so, they are permitted to charge market rates for those services.

By routing calls through BellSouth’s tandems, Sprint and Northeast, in effect, force BellSouth to provide indirect interconnection and transit services—both for calls from Sprint customers to Northeast’s customers, as well as calls from Northeast’s customers to Sprint’s customers. Moreover, even if BellSouth has agreed with Sprint to provide indirect interconnection and transit services for calls that originate from Sprint’s customers, BellSouth may not have such an agreement for calls that originate from Northeast’s customers. Thus, if Sprint and Northeast agree to route calls from Northeast to Sprint through BellSouth’s tandem, Sprint and Northeast could effectively force BellSouth to provide transit services to Northeast by virtue of BellSouth’s direct interconnection arrangements with both Sprint and Northeast. And, if Sprint is permitted to refuse to pay for transit traffic it receives from Northeast by way of BellSouth, BellSouth could be left without any means of being compensated for those services. Nothing in the Act or the Commission’s rules entitles any carrier to impose such an obligation on any other carrier. Allowing Sprint to do so would be manifestly unfair.

Sprint's actions also potentially interfere with the proper assessment of intercarrier compensation charges. When a Sprint customer calls a Northeast customer, and BellSouth provides transit service, it may appear to Northeast that it is terminating a call for BellSouth rather than Sprint, and Northeast may seek intercarrier compensation from BellSouth rather than Sprint. Conversely, when a Northeast customer calls a Sprint customer, it may appear to Sprint it is terminating a call for BellSouth rather than Northeast, and Sprint may seek intercarrier compensation from BellSouth rather than Northeast. In both cases, the terminating carrier should seek intercarrier compensation from the originating carrier. In neither case—in which BellSouth is merely the intermediary transit provider—should BellSouth have to pay intercarrier compensation to the terminating carrier. Nor should BellSouth be required to function as a clearinghouse for intercarrier compensation payments. Indeed, in the *Virginia Arbitration Order*, the Bureau specifically rejected the argument that RBOCs are required to serve as billing intermediaries between carriers who terminate traffic to one another by using RBOC transit services. *Virginia Arbitration Order* ¶ 119.

### CONCLUSION

The Commission should address the rights of carriers under the Act and under the Commission's rules concerning the provision of indirect interconnection and transit services. Specifically, the Commission should determine that carriers are under no obligation to provide indirect interconnection and transit services. Moreover, the Commission should clarify that, if a carrier agrees to provide indirect interconnection and transit services, it is entitled to compensation for the services it provides in both directions between the originating and terminating carriers (*e.g.*, Sprint to Northeast and Northeast to Sprint). In addition, the Commission should direct that, if a carrier agrees to provide indirect interconnection and transit services, it need not pay intercarrier compensation to either the originating or terminating carrier, and it need not act as a clearinghouse for intercarrier compensation between the originating and terminating carrier. The Commission also should establish that a carrier that agrees to provide

indirect interconnection and transit services is not required to price those services at TELRIC. Finally, the Commission should preclude any carrier from taking any unilateral action that (1) causes another carrier to provide indirect interconnection and transit services without any means of being compensated for any portion of those services, or (2) causes another carrier to pay intercarrier compensation as a result of providing indirect interconnection and transit services.

Respectfully submitted,

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### CERTIFICATE OF SERVICE

I, Regina Ragucci, do hereby certify that on this 8<sup>th</sup> day of August 2002, Reply Comments of SBC Communications, Inc. in CC Docket No. 01-92, was served first class mail - pre-paid postage to the parties attached.

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